

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 03076 010959Z

14-11

ACTION EB-07

INFO OCT-01 EUR-12 EA-06 NEA-09 IO-10 ISO-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 OIC-02 AF-06 ARA-06 /131 W

----- 120338

R 010845Z MAY 75

FM USMISSION GENEVA

TO SECSTATE WASHDC 2510

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE GENEVA 3076

E.O. 11652: N/A

TAGS: GATT ETRD

SUBJECT: GATT BALANCE OF PAYMENTS COMMITTEE SPECIAL SESSION

REF: (NOTAL) (A) STATE 94112; (B) MTN GENEVA 2810; (C) GENEVA 2407

(D) GENEVA 1212; (E) STATE 36542

BEGIN SUMMARY: BOP COMMITTEE MEMBERS STILL CAUTIOUS ON
OPENING UP MORE COMPREHENSIVE DISCUSSION OF GATT BOP
PROCEDURES, BUT WARMED TO SUBJECT SOMEWHAT IN COURSE OF
SUBJECT MEETING. LIST OF INCONSISTENCIES IN RECENT BOP
COMMITTEE CONSULTATIONS TO BE DISCUSSED AT NEXT MEETING FOR
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 03076 010959Z

POSSIBLE SUBMISSION TO GATT COUNCIL. END SUMMARY.

1. DURING APRIL 24 GATT BOP COMMITTEE SPECIAL SESSION, AGREEMENT REACHED THAT SPEC(75)1/REV.1 SURVEY (1970-74 EXPERIENCE) COULD BE TRANSMITTED TO GATT COUNCIL. IN ENSUING DISCUSSION OF WHAT FURTHER ACTION MIGHT BE WARRANTED, EC AND JAPAN INITIALLY SAID COMMITTEE SHOULD NOT GO BEYOND SIMPLE TRANSMITTAL OF APPROVED REPORT. THIS WAS RETREAT FROM UNOFFICIAL POSITIONS TAKEN AT FEBRUARY SESSION (REF C). MEETING WAS SPARSELY ATTENDED BY EC MEMBER STATE DELS, ALL OF WHOM HAD BEEN PRESENT DURING FULL FULL CONSULTATIONS ON FINLAND AND TURKEY SAME WEEK.

2. U.S. REPEATED IMPORTANCE OF MEANINGFUL DISCUSSION OF GATT BOP PROCEDURES GIVEN CURRENT PROLIFERATION OF IMPORT RESTRICTIONS, BACKGROUND OF RECENT YEARS' CHANGES IN MONETARY SYSTEM, AND FACT THAT MTN MAY LATER WISH TO TAKE UP DISCUSSION OF GATT RULES. WE SAID U.S. NOT PROPOSING THAT COMMITTEE GET INTO ACTUAL RECOMMENDATIONS, BUT DISCUSSION OF INCONSISTENCIES AND PROBLEMS IN RECENT BOP COMMITTEE PRACTICE COULD LAY USEFUL BASIS FOR LATER MTN WORK. WE SAID BOP COMMITTEE DISCUSSION SHOULD NOT PRE-JUDGE, OVERLAP WITH, OR IN ANY WAY PREJUDICE MTN AND ADDED U.S. HAD NO FIXED VIEW ON APPROPRIATE GROUP IN MTN FOR DISCUSSING ISSUE. U.S. SAID COMMITTEE HAD ALREADY AGREED TRANSMIT LIST OF COMMENTS TO COUNCIL ALONG WITH SURVEY. QUESTION OF HOW MUCH FURTHER WE WOULD GO WAS OPEN.

3. EC REMINDED COMMITTEE THAT FEBRUARY DISCUSSION HAD BEEN INFORMAL ONLY AND THAT ONLY REAL AGREEMENT REACHED WAS TO TRANSMIT SURVEY DOCUMENT TO COUNCIL. JAPAN AGREED AND SAID COMPLETE CONSENSUS WOULD BE REQUIRED ON ANY SUCH LIST. FINLAND, SPEAKING LATER, SAID CURRENT GATT BOP PROCEDURES WERE ADEQUATE AND NO FURTHER WORK SHOULD BE UNDERTAKEN IN COMMITTEE. (IN PRIVATE CONVERSATION, FINNISH DEL MADE CLEAR HIS POINT WAS TO AVOID GETTING INTO REPEAT OF GRILLING ON FINLAND'S LATEST BOP MEASURES.)

4. U.S. AGREED THAT FEBRUARY MEETING HAD BEEN INFORMAL BUT SAID THERE HAD BEEN UNOFFICIAL AGREEMENT TO TRANSMIT QUESTIONS OR COMMENTS. WE SAID IT CLEAR THAT COMMITTEE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 03076 010959Z

WOULD HAVE TO REACH AGREEMENT ON WHAT THE COMMENTS MIGHT BE. (GIVEN SMALL SIZE OF COMMITTEE, NEAR-CONSENSUS WILL BE NEEDED.)

5. SWEDEN AND CANADA GAVE STRONG SUPPORT TO FURTHER COMMITTEE DISCUSSION, SHY OF OVERLAPPING WITH MTN, AND INDIA WENT ALONG. EC THEN GAVE IN AND AGREED TO COMPILE AND TRANSMIT LIST OF QUESTION WHICH COMMITTEE COULD

UNANIMOUSLY AGREE CAME TO MIND WHEN READING THE SURVEY REPORT. EC ADDED THERE MAY BE DIFFERENCE OF VIEWS RE COMPETENCE OF COMMITTEE.

6. CHAIRMAN DUNKEL ASKED IF DELS WISHED PROPOSE SOME QUESTIONS FOR INCLUSION IN A "CHAIRMAN'S LIST" TO BE DISCUSSED AT COMMITTEE'S NEXT SESSION. U.S., BASED ON REFTEL (A), SUBMITTED FOLLOWING, WHICH WE SAID MIGHT BE CONSIDERED AS EITHER QUESTIONS OR OBSERVATIONS BASED ON THE SURVEY REPORT:

(A) THERE SEEMS TO BE VARIOUS KINDS OF IMPORT RESTRICTIONS WHICH COUNTRIES TAKE FOR BALANCE-OF-PAYMENTS REASONS WHICH ARE NEITHER STRICTLY WITHIN BOP COMMITTEE'S TERMS OF REFERENCE NOR EXPLICITLY DESCRIBED IN THE GATT RULES.

(B) COMMITTEE AND GATT AS A WHOLE APPEAR HAVE DIFFICULTY GETTING SOME COUNTRIES TO CONSULT OR EVEN TO NOTIFY BOP-RELATED IMPORT RESTRICTIONS.

(C) COMMITTEE AND/OR GATT HAVE NO MEANS OF ENSURING THAT COUNTRIES WHICH DISINVOKE ART. XII AND XVIII ALSO DISMANTLE THEIR RESTRICTIONS.

7. SWEDEN SUGGESTED NEED FOR BETTER IMF/GATT COORDINATION, CANADA ASKED BETTER CONSULTATION PROCEDURES, AND CHAIRMAN DUNKEL BROUGHT OUT LENGTHY LIST OF QUESTIONS WHICH REPEATED OR BROADENED SOME OF ABOVE CONCEPTS AND ADDED PROBLEM OF DISCRIMINATORY TREATMENT BETWEEN COUNTRIES. INDIA PROMISED TO SUBMIT SOME POINTS ON LDC ASPECTS. LIST WILL BE REFINED BY DUNKEL AND CIRCULATED BEFORE MID-MAY; COMMITTEE WILL MEET IN LATE MAY TO DISCUSS WHICH (IF ANY) QUESTIONS IT CAN UNANIMOUSLY AGREE TO FORWARD TO COUNCIL ALONG WITH ALREADY COMPLETED SURVEY REPORT. WE WILL FORWARD LIST WHEN RECEIVED.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 03076 010959Z

8. COMMENT: IN VIEW DIFFICULTY WE HAD IN GETTING EC AND JAPAN FORMALLY AGREE TO THE CONCEPT RPT CONCEPT OF TRANSMITTING QUESTIONS TO COUNCIL, WE DOUBIOUS THAT COMMITTEE'S DISCUSSIONS ON GATT BOP PROCEDURES CAN CONTINUE BEYOND THE LATE MAY SESSION IN ABSENCE SPECIFIC COUNCIL MANDATE. EVEN DELS WHO SHOWED INTEREST IN SUBJECT SEEMED RELATIVELY UNINSTRUCTED. GIVEN CURRENT MOOD, IT DIFFICULT TO FORESEE COUNCIL APPROVAL OF FURTHER WORK IN ABSENCE MAJOR EFFORT BY U.S. DEPARTMENT MAY WISH TO CONSIDER POSSIBILITY OF LOW-KEY REPRESENTATIONS IN CAPITALS IF FURTHER WORK DESIRED IN BOP COMMITTEE. NEVERTHELESS, IF, AS A RESULT OF DOUBLE U.S. APPEAL MADE IN MTN SUBGROUP ON QRS (REFTEL B) AND THIS APRIL 24 BOP COMMITTEE SESSION, COMMITTEE CAN AGREE TO MEANINGFUL

LIST OF QUESTIONS ON GATT BOP PROCEDURES, WE WILL AT
LEAST HAVE ACHIEVED SOME MODEST PREPARATORY WORK IN THIS
AREA. DALE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GENEVA03076
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750153-0365
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750590/aaaadeov.tel
Line Count: 172
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 (NOTASTATE 94112, 75 MTN GENEVA 2810, 75 GENEVA 2407
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 10 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 APR 2003 by Izenbel0>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GATT BALANCE OF PAYMENTS COMMITTEE SPECIAL SESSION
TAGS: ETRD, GATT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006